

# Form ADV Part 2A Appendix 1

## *Wrap Fee Program Brochure*

Last Updated: August 4, 2017

### Walter J. Reyna, Inc.

CRD#141173

5315 N McColl,  
McAllen, TX 78504  
Tel 956-682-4196  
Fax 956-682-4931  
[www.walterreyna.com](http://www.walterreyna.com)

*This wrap fee program brochure provides information about the qualifications and business practices of Walter J. Reyna, Inc. ("WJRI"). If you have any questions about the contents of this brochure, please contact us at (956) 682-4196 and/or [anthony@walterreyna.com](mailto:anthony@walterreyna.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about WJRI also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Although WJRI may use the term "registered investment adviser" or use the term "registered" through this wrap fee program brochure, the use of these terms is not intended to imply a certain level of skill or training.*

## Item 2. Material Changes since Last Update

---

The U.S. Securities and Exchange Commission (“SEC”) issued a final rule requiring advisers to provide a Firm Brochure in narrative “plain English” format. The final rule specifies mandatory sections and organization and compliance. All new investment adviser registrations must comply with the Rule. Filing via IARD must be made within 90 days of the end of each adviser's fiscal year end.

### **Annual Update**

The Material Changes section of this wrap fee program brochure will be updated annually and/or when material changes occur since the previous release of WJRI's Brochure. A summary of changes is necessary to inform clients of any substantive changes to WJRI's policies, practices or conflicts of interests so that they can determine whether to review the brochure in its entirety or to contact WJRI with questions about the changes.

### **Material Changes since last update:**

- N/A

### **Full Brochure Available**

Clients who would like to receive a complete copy of WJRI's wrap fee program brochure, please contact us by telephone at (956) 682-4196 or visit our website at [www.walterreyna.com](http://www.walterreyna.com).

## Item 3. Table of Contents

---

### Form ADV Part 2A/B

<b>ITEM 1. COVER PAGE.....</b>	<b>1</b>
<b>ITEM 2. MATERIAL CHANGES SINCE LAST UPDATE .....</b>	<b>2</b>
ANNUAL UPDATE .....	2
MATERIAL CHANGES SINCE LAST UPDATE: .....	2
FULL BROCHURE AVAILABLE .....	2
<b>ITEM 4. SERVICES, FEES &amp; COMPENSATION .....</b>	<b>5</b>
WJRI PORTFOLIO ADVISORY SERVICES (“PAS”) PROGRAM.....	5
PROGRAM FEES .....	5
TERMINATION OF ACCOUNT .....	6
<b>ITEM 5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS .....</b>	<b>6</b>
TYPES OF CLIENTS .....	6
REQUIREMENT FOR OPENING ACCOUNTS (MINIMUM INVESTMENT AMOUNT) .....	6
<b>ITEM 6. PORTFOLIO MANAGER SELECTION AND EVALUATION.....</b>	<b>7</b>
ADVISORY BUSINESS.....	7
<i>PAS Wrap Program.....</i>	<i>7</i>
<i>Other Services .....</i>	<i>7</i>
<i>Pension Consulting.....</i>	<i>7</i>
<i>Financial Planning and Consulting Services .....</i>	<i>8</i>
LIMITED TYPES OF INVESTMENTS.....	8
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	8
METHODS OF ANALYSIS .....	8
USE OF SIGNIFICANT INVESTMENT STRATEGY .....	9
EQUITY RISKS .....	9
<i>Equity Market Risk .....</i>	<i>9</i>
<i>Management Risk .....</i>	<i>9</i>
<i>Small and Mid-Cap Company Risk.....</i>	<i>10</i>
<i>Short Sale Risk.....</i>	<i>10</i>
FIXED INCOME RISKS .....	10
<i>Fixed Income Market Risk.....</i>	<i>10</i>
<i>Management Risk .....</i>	<i>10</i>
<i>Credit Risk.....</i>	<i>10</i>
<i>Real Estate Risk.....</i>	<i>10</i>
<i>Structured Instrument Risk .....</i>	<i>10</i>
ETF RISKS .....	11
<i>International Limitations.....</i>	<i>11</i>
<i>Low Trading Volumes.....</i>	<i>11</i>
<i>Long Investment Horizon .....</i>	<i>11</i>
<i>Inactivity.....</i>	<i>11</i>
<i>Tax Implications.....</i>	<i>11</i>
VOTING CLIENT SECURITIES.....	11
<b>ITEM 7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS .....</b>	<b>11</b>
<b>ITEM 8. CLIENT CONTACT WITH PORTFOLIO MANAGERS.....</b>	<b>12</b>
<b>ITEM 9. ADDITIONAL INFORMATION.....</b>	<b>12</b>

DISCIPLINARY INFORMATION .....	12
<i>Criminal or Civil Action</i> .....	12
<i>Administrative Proceeding (SEC/Federal/State)</i> .....	12
<i>Administrative Proceeding (SRO)</i> .....	12
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	12
<i>Broker/Dealer Affiliation</i> .....	12
<i>Insurance Affiliation</i> .....	13
<i>Designated Custodian</i> .....	13
<i>Disclosure of Material Conflicts</i> .....	13
CODE OF ETHICS .....	13
PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	14
<i>Firm Interest in Client Transactions</i> .....	14
<i>Sales Interest in Client Transactions</i> .....	14
REVIEW OF ACCOUNTS.....	14
FINANCIAL INFORMATION .....	15
<i>Receipt of Economic Benefit (non-client)</i> .....	15
<i>Direct/Indirect Compensation for Client Referrals</i> .....	15
<i>Pre-Payment of Fees</i> .....	15
<i>Material Impact of Discretionary Authority</i> .....	16
<i>Custody Disclosure</i> .....	16
<i>Bankruptcy Disclosure</i> .....	16
<b>ITEM 10. REQUIREMENTS FOR STATE-REGISTERED ADVISERS .....</b>	<b>16</b>
MATERIAL RELATIONSHIPS AND/OR ARRANGEMENTS WITH RELATED PERSONS .....	16
MATERIAL FACTS INVOLVING DISCLOSURE EVENTS FOR MANAGEMENT PERSONS .....	16
<b>PRIVACY POLICY .....</b>	<b>16</b>
PRIVACY POLICY NOTICE.....	16

## Item 4. Services, Fees & Compensation

---

Walter J. Reyna, Inc. ("WJRI") is a fee-based investment management firm located in McAllen, Texas, specializing in designing, implementing and managing investments for individuals and small businesses. The firm was established in July 1984 and was approved as a registered investment adviser in 2006. In accordance with the Firm's current Form ADV, WJRI provides financial planning services, portfolio management for individuals and/or small businesses and pension consulting services to individuals and small businesses (herein referred to as "Client(s)").

### **WJRI Portfolio Advisory Services ("PAS") Program**

WJRI provides discretionary and non-discretionary portfolio management services under its Portfolio Advisory Services ("PAS") wrap fee program where its investment advice is customized to meet the client's specific needs and investment objectives. Subject to any written guidelines, which client may provide, WJRI may be granted discretion and authority to manage a client's account. WJRI offers discretionary investment management and investment supervisory services for a fee based on a percentage of assets under management in the client's account. These services include investment analysis, allocation of investments, quarterly portfolio statements and ongoing monitoring services for the portfolio. These services include the determination of securities to be purchased/sold and the amount of securities to be purchased/sold. Where WJRI enters into non-discretionary arrangements, WJRI will obtain the client's approval prior to the execution of any transactions. Once the portfolio is constructed, WJRI will provide continuous supervision and balancing of the portfolio as changes in market conditions and as your circumstances may require.

In performing its services, WJRI is not required to verify any information received from you or from other professionals. If the client requests, WJRI may recommend and/or engage the services of other professionals for implementation purposes. Client is under no obligation to engage the services of any recommended professional.

In all cases, client has a direct and beneficial interest in his/her securities, rather than an undivided interest in a pool of securities. Client will have the ability to leave standing instructions with WJRI to refrain from investing in particular industries or invest in limited amounts of securities.

### **Program Fees**

The annual fee for portfolio management services is billed quarterly in advance based on the value of the assets under management at the end of the previous quarter. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar quarter. The payment of fees for portfolio management services is deducted through a direct debit to your account by the qualified custodian holding your funds and securities. In the investment management agreement you provide written authorization permitting the fees to be paid directly from their account. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances.

The annual fee will be determined based on the aggregate market value of the assets in the Client's account each quarter and Client will not be charged a greater fee for that portion of the assets in the Client's account which falls below the aggregate size listed below.

The fee schedule listed below reflects the annual fees (up to but to exceed the stated annual fee percentage) calculated as a percentage of the Client's assets invested in the Client's account.

<u>Market Value of Portfolio</u>	<u>Annual Fee Percentage</u>
\$149,999 or less	2.00%

\$150,000 to \$499,999	1.70%
\$500,000 to \$999,999	1.50%
\$1,000,000 to \$2,499,999	1.20%
\$2,500,000 to \$4,999,999	0.85%
\$5,000,000 to \$9,999,999	0.55%
\$10,000,000 and above	0.50%

The amount as disclosed above is rounded to the nearest \$100,000. The date of the calculation above is not more than ninety (90) days before the date WJRI last updated its *brochure*.

The program may cost the client more or less than purchasing such services separately. Factor that may affect the relative cost of the program may include but are not limited to services that are provided separately and/or the trading activity in the client's account.

In the event that a person recommending the WJRI wrap fee program to a client receives compensation as a result of the client's participation in the WJRI program, the amount of this compensation may be more than what the person would receive if the client participated in other programs or paid separately for investment advice, brokerage, and other services. As a result, the person may have a financial incentive to recommend the WJRI wrap fee program over other programs or services.

### **Additional Fees and Expenses**

Fees paid to us for investment advisory services are separate from any fees and expenses charged to shareholders of mutual fund shares or mutual fund companies. A complete explanation of the expenses charged by the mutual fund is contained in each fund's prospectus.

Advisory fees payable to WJRI do not necessary include all the fees a client will pay when WJRI purchases or sells securities for client account(s) under the WJRI wrap fee program. Additional fees or expenses may include but are not limited to (i) wire transfer and electronic fund processing fees; and (ii) short-term redemption fees.

Please refer to the "Brokerage Practices" below for discussion of Reyna's brokerage practices.

### **Termination of Account**

The client's advisory agreement with WJRI for the PAS program may be terminated by the client or WJRI upon providing a 30-day notice to the other party. There is no penalty for terminating the advisory agreement upon receipt of the required 30-day notice. Upon termination, the client will receive a refund of the portion of the prepaid asset-based fee that is not earned by WJRI. Termination of the advisory agreement will end the investment advisory relationship as it pertains to that PAS program and WJRI will have no further obligation to recommend or take any action with respect to the securities or cash remaining in the account. Upon termination of the advisory agreement, clients may provide instructions to either liquidate the securities or to hold these securities in their brokerage account.

## **Item 5. Account Requirements and Types of *Clients***

---

### **Types of *Clients***

WJRI provides investment advice to individuals, trusts, estates, state and municipal government entities and other business entities.

### **Requirement for Opening Accounts (Minimum Investment Amount)**

The minimum investment required by an individual investor client is generally \$100,000. Accounts below these minimums may be negotiable and accepted on an individual basis at WJRI's discretion and could

vary depending upon various circumstances, including the scope of the services to be provided (the minimum fees and fee ranges for existing clients prior to current calendar year may differ from those indicated). However, WJRI may from time to time establish, modify and waive account or investment minimums for different investment products and/or services. Also, please see Fees and Compensation above for further details on investment minimums.

The account minimums may be waived at WJRI's discretion if, for example, the client appears to have significant potential for increasing assets under management. In addition, WJRI may house household client accounts to meet the stated minimum investment amount(s) or account size(s).

## Item 6. Portfolio Manager Selection and Evaluation

---

WJRI does not recommend or select portfolio managers for particular clients, nor does it recommend the replacement of portfolio managers for the program and for particular clients. Instead, J. Anthony Reyna and Walter J. Reyna are principals of WJRI who also act as portfolio managers for the WJRI wrap fee program described in this wrap fee program brochure. Because of this arrangement, a conflict may exist between WJRI's interests and the interests of its clients, and therefore clients are under no obligation to act upon any recommendations by WJRI and/or its representatives, and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through WJRI wrap fee program.

### **Advisory Business**

#### **PAS Wrap Program**

WJRI advisory services under the PAS program are described in further detail under Item 4 Services, Fees & Compensation (WJRI Portfolio Advisory Services ("PAS") Program).

#### **Other Services**

In addition to WJRI's advisory services under the PAS program, WJRI may also provide certain specialized advisory services such as pension consulting and/or financial planning.

#### **Pension Consulting**

In addition to providing portfolio management services to pension, profit sharing plans and other defined benefit plans, for which WJRI is compensated, WJRI provide pension consulting services to employee benefit plans and their fiduciaries based upon an analysis of the needs of the plan. In general, these services may include any one or all of the following:

- a) Comprehensive Marketplace Search* - Reyna will search the marketplace and provide quotations from leading retirement plan service providers.
- b) Service Provider Analysis* - Reyna will analyze data regarding fees and services of responding retirement plan service providers, including plan features and service standards.
- c) Recommendations* - Reyna will make recommendations regarding plan service provider selection based upon study results and your goals and objectives.
- d) Plan Benchmarking Studies* - Reyna will compare your current retirement plan data against industry and same-size employer benchmarks. Best practices are then applied to improve results
- e) Existing Plan Review* - A plan review is a comprehensive exam of major components of your retirement plan in order to identify strengths and weaknesses. The review can cover such areas as overall plan structure, related costs, and plan documentation.

All accounts are regulated under the Employee Retirement Income Securities Act ("ERISA"). WJRI provides consulting services to the plan fiduciaries as described above. Typically, the

named plan fiduciary must make the ultimate decision as to retaining the services of such investment advisers as WJRI recommends. The plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the plan.

### **Financial Planning and Consulting Services**

WJRI provides modular and consultative financial planning services for a fee. Financial planning services typically involve providing a variety of services, principally advisory in nature, to Clients regarding the management of their financial resources based upon an analysis of their individual needs. An Investment Advisory Representative ("IAR") from our firm will conduct a half hour complimentary initial consultation. During or after the initial consultation, if a client decides to engage WJRI for financial planning services, an IAR will conduct follow-up meetings as necessary. WJRI collects pertinent information about your financial circumstances and objectives. Once such information is reviewed and analyzed, a written financial plan, designed to achieve the client's stated financial goals and objectives, is produced and presented to the client. The primary objective of this process is to allow WJRI to assist the client in developing a strategy for the successful management of income, assets, and liabilities that meets the client's financial goals and objectives.

WJRI bases financial plans on each client's financial situation at the time the plan is presented and on the financial information disclose to WJRI. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. WJRI cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As the client's financial situation, goals, objectives, or needs may change, clients must notify WJRI promptly of any such changes.

### **Limited Types of Investments**

WJRI does not provide investment advice only with respect to limited types of investments.

Under the PAS program, WJRI may tailor its advisory services to the specific needs and objectives of each advisory client. Clients may also impose restrictions on investing in certain securities or types of securities. Most of which is generally covered in the client's advisory agreement.

As described above, WJRI provides portfolio management services under its own *PAS wrap fee program* where J. Anthony Reyna and Walther J. Reyna are portfolio managers for the PAS program. Services and fees under the PAS program may differ from WJRI's other advisory services such as pension consulting and/or financial planning services. WJRI fees for advisory services under the PAS program are described in further detail under Item 4 Services, Fees & Compensation (Program Fees).

### **Performance-Based Fees and Side-By-Side Management**

Neither WJRI or any of its supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle). Therefore, there are no conflicts of interest that WJRI or its supervised persons may face by managing these accounts at the same time, to include any incentive to favor accounts for which WJRI or its supervised persons receive a performance-based fee.

### **Methods of Analysis**

WJRI's securities analysis methods may include charting, fundamental analysis, technical analysis, and the use of cyclical analysis and monitoring of investment cycles and trends. Fundamental analysis includes but is not limited to analyzing company financial statements and health, its management and competitive advantages, and its competitors and markets, the overall state of the economy, interest rates,



production and overall earnings. Technical analysis includes forecasting the direction of prices through the study of past market data, primarily price and volume.

However, the primary method of analysis WJRI utilizes is fundamental. WJRI gathers its information for investment purposes from research prepared by others. WJRI's investment strategy is managed from a risk standpoint. WJRI believes that it is absolutely necessary to have an offensive and a defensive strategy for each position in a portfolio. Typically, this means only appreciating holdings are maintained, part of the "offense." Holdings that are showing prolonged weakness relative to the rest of the market are sold and the money is moved to money markets, short term bond funds and other "temporary havens" until we determine that strength areas are available to replace those weaknesses.

WJRI has two primary methods for making investment decisions. First, WJRI follows a mathematically derived, objective, trend-following strategy that defines entry and exit points for each fund it follows, based on the fund's volatility and price movement, the methodology is simple: WJRI seeks to hold our winners and cut loose the losers. Second concept is "Relative Strength". Here WJRI identify areas of the market that are in favor and then WJRI gravitates toward those areas and the funds in that sector. In WJRI's studies, it has found that areas of the market that are relatively strong continue their strength for approximately one year, as a result WJRI continues with a sector until it is finished.

WJRI primarily uses ETF's (Exchange Traded Funds) in its selections as they are like a basket of securities that trade like stocks and have a lower cost than most mutual funds. However, WJRI may use some mutual funds in the portfolios if WJRI feels they are warranted.

Material risks associated with fundamental and/or technical analysis may be that the stock price of a company is not necessarily reflective of or otherwise directly correlated to such factors when determining value.

As with most investment products, because investment portfolios include securities, investing in securities involves risk of loss that you as our client should be prepared to bear.

### **Use of Significant Investment Strategy**

In the event that WJRI employs a frequent trading strategy for its clients, it is important to note that such a strategy can have an affect on investment performance, particularly through increased brokerage and other transaction costs and taxes.

CS does not recommend any particular type of security as part of its overall investment advisory services.

### **Equity Risks**

The material risks associated with these strategies are:

#### **Equity Market Risk**

Overall stock market risks may affect the value of the investments in equity strategies. Factors such as U.S. economic growth and market conditions, interest rates, and political events affect the equity markets.

#### **Management Risk**

Our judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole or our intrinsic value approach may fail to produce the intended results. Our

estimate of intrinsic value may be wrong or even if our estimate of intrinsic value is correct, it may take a long period of time before the price and intrinsic value converge.

### **Small and Mid-Cap Company Risk**

Investments in small and mid-cap companies may be riskier than investments in larger, more established companies. The securities of these companies may trade less frequently and in smaller volumes than securities of larger companies. In addition, small and mid-cap companies may be more vulnerable to economic, market and industry changes. Because smaller companies may have limited product lines, markets or financial resources, or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than larger capitalization companies.

### **Short Sale Risk**

Short sales are speculative transactions and involve special risks. In order to initiate a short position, a security must be borrowed. Strategies that execute short sales may incur a loss if the price of the security sold short increases in value between the date of the short sale and the date when WJRI purchases the security to replace the borrowed security. Losses are potentially unlimited in a short sale transaction.

## **Fixed Income Risks**

The material risks associated with this strategy are:

### **Fixed Income Market Risk**

Fixed income securities increase or decrease in value based on changes in interest rates. If rates increase, the value of fixed income securities generally declines. On the other hand, if rates fall, the value of the fixed income securities generally increases.

### **Management Risk**

WJRI's judgments about the attractiveness, value, and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole and WJRI's intrinsic value approach may fail to produce the intended results.

### **Credit Risk**

There is a risk that issuers and counterparties will not make payments on the securities they issue. In addition, the credit quality of securities may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security which may affect liquidity and WJRI's ability to sell the security.

### **Real Estate Risk**

Real Estate Investment Trusts (REITS), although not a direct investment in real estate, are subject to the risks associated with investing in real estate. The value of these securities will rise and fall in response to many factors including economic conditions, the demand for rental property and changes in interest rates.

### **Structured Instrument Risk**

Structured instruments may be less liquid than other debt securities, and the price of structured instruments may be more volatile. Although structured instruments may be sold in the form of a corporate debt obligation, they may not have some of the protection against counterparty default that may be available with publicly traded debt securities.

## **ETF Risks**

The material risks associated with this strategy are:

### **International Limitations**

While the U.S. has a plethora of ETF products, some countries only have a few exchange traded funds in which to invest. And those regions that do offer market ETFs, usually only include large-cap products leaving a lack of mid and small-sized funds.

### **Low Trading Volumes**

When ETFs have low trading volumes, the advantage of purchasing an ETF over an index or equity diminishes. The bid-ask spread can be too wide to be cost-effective. Market Makers tend to be tighter on securities that are more liquid (barring any unforeseen news or circumstances).

### **Long Investment Horizon**

The intraday trading opportunities created by ETFs may not fit into a long-term investor's strategy. This is more of an advantage for short-term ETF traders. So, as an investor, it will be important to layout your investing goals before you decide how to include ETFs in your portfolio.

### **Inactivity**

Some ETFs aren't as actively traded as others. It can be a sector-related issue or even a regional issue. When this situation occurs, it may be more effective to invest in a managed fund where activity is higher.

### **Tax Implications**

In the case of foreign ETFs, sometimes there may be a tax advantage by opting to invest in an international portfolio. Tax laws vary from country to country, so it may be beneficial for your tax return to find other foreign investments.

There are many benefits to including ETFs in your portfolio, however it is important to understand that they are not the ideal investment for every situation. ETFs should be evaluated on a case-by-case basis for every investing strategy.

## **Voting Client Securities**

WJRI does not have the authority to vote client proxies and therefore is not required to take action or render advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which assets of the client's account(s) may be invested from time to time. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients may contact WJRI directly at (956) 682-4196 if they have any questions regarding a particular solicitation.

## **Item 7. *Client* Information Provided to Portfolio Managers**

---

As J. Anthony Reyna and Walter J. Reyna are principals of WJRI who also act as portfolio managers for the WJRI wrap fee program, the following client information is communicated, if applicable, or collected by WJRI at the time the account is opened: name, social security/tax identification number, address, phone number, employer, occupation, date of birth, number of dependents, net worth, annual income, investment experience, retirement status, investment objective, risk tolerance and time horizon. The client is requested on an annual basis to update this information, which, if applicable, is promptly forwarded to WJRI (where applicable). On an ongoing basis, J. Anthony Reyna and/or Walter J. Reyna may communicate with clients regarding economic conditions, various portfolio holdings and percentage allocations.

## Item 8. *Client* Contact with Portfolio Managers

---

There are no restrictions placed on clients' ability to contact and consult with J. Anthony Reyna and Walter J. Reyna portfolio managers for the WJRI wrap fee program.

## Item 9. Additional Information

---

### **Disciplinary Information**

#### **Criminal or Civil Action**

There are no disclosure events involving a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which WJRI or its personnel are involved.

#### **Administrative Proceeding (SEC/Federal/State)**

There are no disclosure events involving an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which WJRI or its personnel are involved.

#### **Administrative Proceeding (SRO)**

There are no disclosure events involving A self-regulatory organization (SRO) proceeding in which WJRI or its personnel are involved.

### **Other Financial Industry Activities and Affiliations**

#### **Broker/Dealer Affiliation**

Neither WJRI nor any of its *management persons* are registered, or have an application pending to register, as a futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated *person* of an FCM, CPO, or CTA.

However, IARs of WJRI are also registered representatives, licensed to sell securities through Lincoln Financial Securities Corporation, ("LFSC"), a securities broker/dealer registered with FINRA. In this capacity, IARs of WJRI are involved in the sale of securities of various types, including, but not limited to, stocks, bonds, ETFs and mutual funds. The IARs will receive normal and customary compensation because of securities transactions placed through LFSC on behalf of their Clients, including 12-1 fees. Additionally, IARs of WJRI will receive commissions on the sale of various insurance products. IARs of WJRI, in their capacity as registered representatives or insurance agents, may receive commissions as a result of products sold to you which are offered by LFSC's parent company, Lincoln Financial Group. Receipt of this additional compensation in and of itself creates a conflict of interest as IARs of WJRI may

have an incentive to offer products offered by Lincoln Financial Group over other products. WJRI addresses this conflict with full disclosure of all fees to the prospective client.

### **Insurance Affiliation**

J. Anthony Reyna and/or Walter J. Reyna may provide advice to clients on matters not involving securities products or services. Such matters may include, but would not be limited to traditional insurance products (life, health). As such, they may provide insurance products to clients and receive compensation in the form of insurance fees. If they receive fees from insurance products, advisory fees will not be charged on those assets.

### **Designated Custodian**

WJRI maintains a relationship with TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC ("TD Ameritrade"), which acts as custodian for account in the PAS program.

WJRI may recommend that clients establish accounts with the TD Ameritrade, a registered broker/dealer, member SIPC, to maintain custody of your assets and to effect trades for your accounts. WJRI is independently owned and operated and not affiliated with TD Ameritrade. TD Ameritrade provides WJRI with access to its institutional trading and custody services. These services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

WJRI places trades for accounts in the PAS program subject to its duty to seek best execution and other fiduciary duties. Whenever possible WJRI seeks to aggregate (combine) trades, to achieve best execution consistently across all accounts.

### **Disclosure of Material Conflicts**

All material conflicts of interest are disclosed regarding WJRI, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice. Conflicts of interest may include, but are not limited to, compensation arrangements connected with advisory services which are in addition to the advisory fees, other financial industry activities or affiliations, or participation of interest in client transactions.

### **Code of Ethics**

WJRI's Code of Ethics is based upon the principle that WJRI and its employees owe a fiduciary duty to clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm, and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The purpose of WJRI's Code of Ethics is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading, and other forms of prohibited or unethical business conduct. As such, WJRI and its employees are prohibited from engaging in fraudulent, deceptive, or manipulative conduct. WJRI and its employees have an affirmative duty of utmost good faith to act solely in the best interest of its clients.

WJRI has adopted the following Code of Ethics in accordance with SEC rule 204A-1 or similar state rules:

- **Fiduciary Responsibility-** WJRI and its staff shall exercise the highest standard of care in protecting and promoting the interests of its clients, and will provide a written disclosure containing any conflicts of interest that may compromise their impartiality or independence. As

fiduciary, WJRI shall not accept any referral fees or compensation that is contingent upon the purchase or sale of any financial product.

- Integrity- All professional services shall be rendered with the highest level of integrity.
- Objectivity- WJRI and its staff shall provide advice that is objective and in the best interest of the client and without conflicts of interest.
- Competence- WJRI and its staff shall maintain the necessary knowledge and skills to provide our clients with competent advice and services.
- Fairness- All professional services shall be performed by WJRI and its staff in a manner that is fair and reasonable to its clients.
- Confidentiality- WJRI and its staff shall maintain and safeguard all confidential client information in accordance with applicable laws.
- Diligence- WJRI and its staff shall ensure the accuracy and completeness of records, information, and data collected, used and managed, and will take necessary steps to correct any discrepancies.
- Regulatory Compliance- WJRI and its staff shall comply fully with appropriate laws and internal regulations.

WJRI will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

## **Participation or Interest in *Client* Transactions and Personal Trading**

### **Firm Interest in Client Transactions**

Neither WJRI nor any of its *related persons* will buy securities for itself/themselves from advisory *clients*, or sell securities WJRI or its related persons own to advisory *clients* (principal transactions).

WJRI or its *related persons* may buy or sell for itself/themselves securities (other than shares of mutual funds) that WJRI or its related persons also recommend to advisory *clients*.

Neither WJRI nor any of its *related persons* will recommend securities (or other investment products) to advisory *clients* in which WJRI or any *related person* has some other proprietary (ownership) interest.

### **Sales Interest in Client Transactions**

Neither WJRI nor any of its *related persons* will execute securities trades for brokerage customers in which advisory *client* securities are sold to or bought from the brokerage customer (agency cross transactions).

Neither WJRI nor any of its *related persons* will recommend purchase of securities to advisory *clients* for which WJRI or any *related person* serves as underwriter, general or managing partner, or purchaser representative.

Neither WJRI nor any of its *related persons* will recommend purchase or sale of securities to advisory *clients* for which WJRI or any *related person* has any other sales interest (other than the receipt of sales commissions as a broker or registered representative of a broker-dealer).

### **Review of Accounts**

Accounts are reviewed on an ongoing basis. Overall investment management, market prospects and individual issue prospects are considered in the review process. Triggering factors that may affect an account review could be any material change in a client's account such as a change in company earnings, industry/company outlook as well as other economic factors. All account reviews are conducted by the investment adviser professional responsible for each account. All clients are

encouraged to conduct an annual review of their financial objectives, account performance as well other relevant factors.

The nature and frequency of reports are determined by client need and the services offered. However, most of the clients are provided with transaction confirmation notices and regular summary account statements sent directly from the designated broker-dealer/custodian for each client account. Clients receiving investment advisory services will receive written quarterly reports summarizing their overall account activity and investment performance.

## **Financial Information**

### **Receipt of Economic Benefit (non-client)**

WJRI does not receive an economic benefit for providing investment advice or other advisory services from someone who is not a client.

### **Direct/Indirect Compensation for Client Referrals**

If a client is introduced to WJRI by either an unaffiliated or an affiliated solicitor, WJRI may pay that solicitor a referral fee. All compensated person(s) under a solicitor arrangement are properly registered as solicitors and follow applicable requirements. Therefore, WJRI may have an incentive to select or recommend a broker-dealer based on its interest in receiving client referrals, rather than on its clients' interest in receiving most favorable execution. However, the current procedures are that the Client will under no circumstances be charged an additional fee for such arrangement. Compensation arrangement will vary with each solicitor. If the Client is introduced to WJRI by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of the solicitor relationship, and shall provide each prospective client with a copy of WJRI's written disclosure statement as set forth in WJRI's Form ADV, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms and conditions of the arrangement between WJRI and the solicitor, including the compensation to be received by the solicitor from WJRI. Any affiliated solicitor of WJRI shall disclose the nature of the relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of WJRI's written disclosure statement as set forth in the Form ADV.

WJRI may act as a solicitor for other registered investment advisers. In the event that WJRI acts as a solicitor, it may receive a referral fee or other form of compensation in accordance with applicable state securities law requirements. Therefore, WJRI may have an incentive to select or recommend other investment advisers based on its interest in receiving a referral fee or other form of compensation, rather than on its *clients'* interest. However, the current procedures are that the Client will under no circumstances be charged an additional fee for such arrangement. Compensation arrangement will vary with each solicitor arrangement. If the Client is introduced to other investment advisers by WJRI, at the time of the solicitation, WJRI will disclose the nature of the solicitor relationship, and shall provide each prospective client with a copy of WJRI's written disclosure statement as set forth in WJRI's Form ADV, together with a copy of the written disclosure statement from WJRI to the client disclosing the terms and conditions of the arrangement between WJRI as the solicitor, and other investment advisers as the selected investment adviser including the compensation to be received by WJRI as the solicitor. As the solicitor, WJRI will disclose the nature of the relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the investment adviser's written disclosure statement as set forth in the Form ADV.

### **Pre-Payment of Fees**

WJRI does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

### **Material Impact of Discretionary Authority**

WJRI may exercise discretionary authority over certain client funds or securities. However, WJRI does not anticipate any financial condition that may be reasonably likely to impair its ability to meet contractual commitments to clients at this time.

### **Custody Disclosure**

WJRI does not have custody of client funds or securities.

### **Bankruptcy Disclosure**

WJRI has not been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 10. Requirements for State-Registered Advisers**

---

### **Material Relationships and/or Arrangements with Related Persons**

All material relationships and/or arrangements with related persons are previously disclosed above in Item 9 Additional Information (Other Financial Industry Activities and Affiliations).

### **Material facts involving disclosure events for management persons**

All material facts involving disclosure events for management persons are previously disclosed above in Item 9 Additional Information (Disciplinary Information).

## **Privacy Policy**

---

### **Privacy Policy Notice**

Your privacy is important to us. Your personal information is kept secure. Under federal and state law, you have a right to know what information is being collected about you and how that information will be used. WJRI collects nonpublic personal information about you from the following sources:

- Information WJRI receives from you on applications or other forms.
- Information about your transactions with WJRI; and
- Information that you specifically have had your other professional advisors forward to WJRI.

WJRI does not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as directed by you:

- Under law, the information WJRI collects is provided to companies that perform support services on our behalf as necessary to effect, administer, or process a transaction, or for maintaining and servicing your account;
- As directed by you, WJRI will be working with your other professional advisors and WJRI will provide information in our possession that is reasonably requested by the other advisors.

WJRI does not give or sell information about you or your accounts to any other company, individual or group. WJRI restricts access to nonpublic personal information about you to those employees who need to know that information to provide services to you. WJRI maintains physical, administrative, and technical procedural safeguards to protect your nonpublic personal information. You do not need to call or do anything as a result of this notice. It is meant to inform you of how WJRI safeguards your nonpublic personal information.



